

ORDINANCE NO. G-01-09

An Ordinance concerning the acquisition, construction and improvement by the Town of Georgetown, of its waterworks utility, the issuance and sale of revenue bonds to pay the costs thereof, the collection, segregation and distribution of the revenues of the utility, the safeguarding of the interests of the owners of the revenue bonds, and other matters connected therewith and repealing ordinances inconsistent herewith.

WHEREAS, the Town of Georgetown, Indiana (the "Issuer") has established and constructed a municipal waterworks utility (the "Waterworks") and now owns and operates the Waterworks pursuant to Indiana Code 8-1.5-2 and other applicable laws including Indiana Code 5-1, as in effect on the issue date of the obligations authorized herein (the "Act"); and

WHEREAS, the Town Council of the Issuer (the "Legislative Body") now finds that acquisition, construction and improvement of the Waterworks is necessary; and that plans, specifications and estimates therefor have been prepared and filed by the engineers employed by the Issuer for the construction, acquisition and improvement of the Waterworks (as more fully set forth in summary fashion in Exhibit A hereto and made a part hereof) (collectively, the "Project"), which plans, specifications and estimates have been submitted to, and have been or will be approved by, all governmental authorities having jurisdiction, particularly the Indiana Department of Environmental Management, and are incorporated herein by this reference and are open for inspection at the office of the Clerk-Treasurer as and to the extent required by law; and

WHEREAS, the Issuer has advertised for and received bids or will advertise for and receive bids for the Project; the bids are or will be subject to the Issuer's determination to acquire, construct and improve the Waterworks and are subject to the Issuer's obtaining funds to pay for the Project; on the basis of the bids or engineering estimates, the cost of the Project as outlined in the Act, including estimated incidental expenses, is in the approximate amount of \$2,050,000; and

WHEREAS, the State of Indiana has authorized a grant to the Issuer for the Project in the amount of \$450,000; and

WHEREAS, the Legislative Body finds that the remaining cost of the Project should be provided by the issuance of revenue bonds of the Issuer (the "Bonds"), payable solely out of the Net Revenues (as hereinafter defined) of the Waterworks; and

WHEREAS, with respect to its Waterworks, the Issuer has opted out of the regulatory jurisdiction of the Indiana Utility Regulatory Commission; and

WHEREAS, the Legislative Body finds that there are not any outstanding bonds issued on account of the acquisition, construction and improvement of the Waterworks and payable out of the Net Revenues (as hereinafter defined) of the Waterworks; and

WHEREAS, the Bonds to be issued pursuant to this Ordinance will constitute a first charge against the Net Revenues of the Waterworks and are to be issued subject to the provisions

of the Act, and the terms and restrictions of this Ordinance; and

WHEREAS, the Issuer will enter into a Financial Assistance Agreement (as hereinafter defined) with the State of Indiana, pertaining to the Project and the financing thereof under the SRF Program (as hereinafter defined); and

WHEREAS, the Legislative Body now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of the Bonds has been complied with in accordance with the provisions of the Act hereinafter referred to; now, therefore,

BE IT ORDAINED BY THE LEGISLATIVE BODY OF THE ISSUER THAT:

Section 1. Purpose of Issuance. The Issuer shall proceed with the Project in accordance with the plans and specifications heretofore prepared and filed by Commonwealth Engineers, Inc., of Indianapolis, Indiana (the "Project Engineer"), employed by the Issuer, which plans and specifications are by reference made a part of this Ordinance as fully as if the same were attached hereto and incorporated herein and two copies of which are now on file in the office of the Clerk-Treasurer of the Issuer (and any revisions or additions thereto which shall likewise be placed on file), and are open for public inspection pursuant to Indiana Code 36-1-5-4, and that the cost of the Project shall not exceed the sum of \$2,050,000 without further authorization from this Legislative Body. The Project shall be acquired, constructed and improved in accordance with the plans and specifications heretofore mentioned and the Act (as hereinafter defined).

The term "Act" where used in this Ordinance shall be construed to mean Indiana Code 8-1.5-2 and other applicable laws including Indiana Code 5-1, as in effect on the issue date of the obligations authorized herein (the "Act"). The term "Waterworks" where used in this Ordinance shall be construed to mean and include all structures and property of the Issuer's municipal waterworks utility, including items defined in the Act and further shall have the same meaning as the term "Drinking Water System" as defined in the Financial Assistance Agreement.

Section 2. Bond Authorization. The Issuer shall issue its obligations in an aggregate amount not to exceed \$1,600,000 to be designated "Town of Georgetown Waterworks Revenue Bonds of 2001" [with the year and any series or other references added, revised or removed as appropriate] (the "Bonds") for the purpose of procuring funds to apply on the cost of the Project.

The Bonds shall be sold at a price 100% of the face value thereof; shall be issued in fully registered form in denominations of One Dollar (\$1) or any integral multiple thereof, numbered consecutively from R-1 up, and originally dated as of the date of delivery; and shall bear interest at a rate or rates not exceeding 4.7% per annum (the exact rate or rates to be determined through negotiations with the SRF Program), with such interest payable on January 1 and July 1 in each year, beginning no later than one year following the issuance of the Bonds (with the specific date to be determined by the Clerk-Treasurer prior to the issuance of the Bonds). Interest shall be calculated based on a 360-day calendar year containing twelve 30-day months. Principal shall be payable in lawful money of the United States of America, at the principal office of the Paying Agent (as hereinafter defined), and such Bonds shall mature annually in numerical order on January 1 in the years and amounts as determined by the President of the Town Council and the

Clerk-Treasurer with the advice of the Issuer's financial advisor prior to negotiating a sale of the Bonds, subject to the following limitations: (a) the aggregate principal amount of the Bonds shall not be increased; (b) the final maturity of the Bonds shall be fixed to occur not later than 24 years after the dated date of the Bonds; and (c) commencing in the second bond year after the date of the Project is estimated by the Project Engineer to be substantially completed (that is, for the first full bond year ending each January 1 which follows such estimated completion date) and in each bond year thereafter, annual debt service payments on the Bonds payable from Net Revenues (as estimated by the Issuer's financial advisor prior to negotiating a sale of the Bonds) shall not fluctuate more than \$10,000 from bond year to bond year.

Section 3. Sale of Bonds to SRF Program. The Clerk-Treasurer shall negotiate the sale of the Bonds to the Indiana Bond Bank under the State Revolving Loan Fund Program operated by the State of Indiana pursuant to Indiana Code 13-18-21 (the "SRF Program") at an interest rate not exceeding the maximum rate(s) hereinbefore fixed. The President of the Town Council and the Clerk-Treasurer are hereby authorized to (i) submit such information to the State of Indiana as deemed appropriate by such officers or officials to participate in the SRF Program, (ii) negotiate the terms of and execute and deliver a Purchase Agreement (the "Purchase Agreement") between the Issuer and the Indiana Bond Bank pursuant to Indiana Code 5-1.5, and negotiate the terms of and execute and deliver a Financial Assistance Agreement between the Issuer and the State of Indiana pursuant to Indiana Code 13-18-21 (in a form substantially similar to that attached hereto as Exhibit B, but with such changes in form or substance as such officers or officials may approve as conclusively evidenced by their signature thereof)(the "Financial Assistance Agreement"), or both as deemed appropriate by such officers or officials and (iii) sell, execute and deliver the Bonds upon such terms as are acceptable to such officers or officials and consistent with the terms of this Ordinance.

The Issuer may receive payment for the Bonds in installments. To the extent that the total principal amount of the Bonds is not paid by the SRF Program, as the purchaser of the Bonds or drawn down by the Issuer, as of the date when no additional amounts may be drawn under the Financial Assistance Agreement, the remaining Bond maturities shall be reduced in a manner that will effect as level debt service as practicable for such remaining maturities.

Any reference herein to the SRF Program as the purchaser of the Bonds shall be deemed to include circumstances wherein the Indiana Bond Bank (or any other nominal owner of the Bonds) is the registered owner of the Bonds for the benefit of the SRF Program. Provisions of this Ordinance requiring the consent of the State of Indiana shall apply so long as the SRF Program has beneficial ownership of the Bonds.

Section 4. Execution, Payment and Transfer Terms. The Bonds shall be signed in the name of the Issuer by manual or facsimile signature of the President of the Town Council of the Issuer and attested by the manual or facsimile signature of the Clerk-Treasurer of the Issuer, who shall (if existing) affix the seal of the Issuer to each of the Bonds manually or shall have the seal imprinted or impressed thereon by facsimile or any other means. Such officers or officials, by the signing of the Bonds (whether by their manual or facsimile signature) and a Signature and No Litigation Certificate, shall adopt as and for their own proper signatures their facsimile signatures appearing on the Bonds and such acknowledgement shall constitute conclusive evidence that such

officer or official approved the terms of the Bonds, after receiving the advice of the Issuer's counsel or financial advisor, as and to the extent required to fix the terms thereof in a manner consistent with the authorization provided under this Ordinance. In case any officer or official whose signature appears on the Bonds shall cease to be such officer or official before the delivery of such Bonds, his or her signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or official had remained in office until such delivery.

A qualified institution may be appointed by the President of the Town Council and the Clerk-Treasurer of the Issuer as registrar and paying agent (the "Registrar" or "Paying Agent") for the Bonds, and is hereby charged with the responsibility of authenticating and providing for the registration, exchange and transfer of the Bonds. The Clerk-Treasurer is hereby authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of a Registrar and Paying Agent. The Clerk-Treasurer of the Issuer is further authorized to pay such fees as the institution may charge for the services it provides as Registrar and Paying Agent, and such fees may be paid from the Sinking Fund to pay the principal of and interest on the Bonds and fiscal agency charges. Notwithstanding the foregoing, the Clerk-Treasurer of the Issuer may be designated as the Registrar and Paying Agent and charged with the performance of all of the duties and responsibilities of the Registrar and Paying Agent.

All payments of interest on the Bonds shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owners thereof at their addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner as of the 15th day of the month preceding any interest payment date (the "Record Date"). All payments on the Bonds shall be made in any coin or currency of the United States of America, which on the date of such payment shall be legal tender for the payment of public and private debts.

If the Bonds are registered for the benefit of the SRF Program, the principal of and interest on the Bonds shall be paid by wire transfer to such financial institution if and as directed by the State as of the due date of such payment or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date. So long as the State of Indiana or the Indiana Bond Bank is the owner of the Bonds, such Bonds shall be presented for payment as directed by the State.

Interest on the Bonds sold to the SRF Program shall be paid from the dates of payment for the Bonds. Interest on Bonds authenticated subsequent to the Record Date which precedes the interest payment date thereon shall be paid from the interest payment date to which interest has been paid as of the date on which such Bonds are authenticated, unless a Bond is authenticated between the Record Date and the interest payment date in which case the interest shall be paid from such interest payment date. Bonds authenticated on or subsequent to the first interest payment date shall be dated as of the interest payment date to which interest has been paid as of the date on which such Bonds are authenticated.

If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the area are typically closed, such payment may be made or act performed

or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal day.

If any Bond shall not be presented for payment or redemption on the date fixed therefor, the Issuer may deposit in trust with its depository bank an amount sufficient to pay such Bond or the redemption price, as the case may be, and thereafter the registered owner shall look only to the funds so deposited in trust with the bank for payment and the Issuer shall have no further obligation or liability in respect thereto.

Each Bond shall be transferable or exchangeable only upon the books of the Issuer kept for that purpose at the principal office of the Registrar, by the registered owner thereof in person, or by such owner's attorney duly authorized in writing, upon surrender of such Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or such owner's attorney duly authorized in writing, and thereupon a new fully registered Bond, in the same aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the Issuer. The Issuer, Registrar and Paying Agent for the Bonds may treat and consider the person in whose name such Bonds are registered as the absolute owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

Section 5. Redemption of Bonds. The Bonds of this issue maturing on and after a date (which date shall be within twelve (12) years from the dated date of such Bonds [the "Initial Call Maturity"]) to be selected by the Clerk-Treasurer, with the advice of the Issuer's financial advisor, shall be redeemable at the option of the Issuer on the interest payment date either preceding or next preceding (as selected by the Clerk-Treasurer, with the advice of the Issuer's financial advisor) the Initial Call Maturity, and on any date thereafter, on thirty (30) days' notice, in whole or in part, and by lot within a maturity, at face value together with a premium not to exceed 2 percent (expressed in percentage of face value) (as determined by the Clerk-Treasurer, with the advice of the Issuer's financial advisor), plus in each case accrued interest to the date fixed for redemption. Negotiation of such dates and premiums shall constitute selection by the Clerk-Treasurer thereof in accordance with the foregoing terms.

If less than all of the Bonds are called for redemption at one time, the Bonds shall be redeemed in inverse order of maturity and by lot within a maturity. Each One Dollar (\$1) principal amount shall be considered a separate bond for purposes of optional and mandatory redemption. If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.

Notice of such redemption shall be mailed to the address of the registered owner as shown on the registration record of the Issuer not less than thirty (30) days prior to the date fixed for redemption unless such redemption notice is waived by the owners of the Bonds redeemed. The notice shall specify the date and place of redemption and sufficient identification of the Bonds

Section 6. Security Pledge. The Bonds, and any obligations ranking on a parity therewith, as to both principal and interest, shall be payable solely from and secured by an irrevocable pledge of and shall constitute a charge upon the Net Revenues (herein defined as the gross revenues remaining after the payment of the reasonable expenses of operation, repair and maintenance) of the Waterworks of the Issuer, whether now or hereafter constructed or acquired. The Issuer shall not be obligated to pay the Bonds or the interest thereon except from the Net Revenues of the Waterworks, and the Bonds shall not constitute an indebtedness of the Issuer within the meaning of the provisions and limitations of the constitution of the State of Indiana. The Bonds shall state on their face that the Issuer shall not be obligated to pay the same or the interest thereon except from the special sinking fund provided from the Net Revenues of the Waterworks.

UNITED STATES OF AMERICA

COUNTY OF FLOYD

TOWN OF GEORGETOWN
WATERWORKS REVENUE BONDS OF 2001

Authentication
Date

Principal Sum:

6

this Bond until the Principal Sum is paid at the rate per annum specified above, which interest is payable semi-annually on the first day of January and July of each year, beginning _____. Interest shall be calculated based on a 360-day calendar year containing twelve 30-day months.

The principal sum of this bond is payable at the principal office of the Clerk-Treasurer (the "Registrar" or "Paying Agent"), in Columbus, Indiana. All payments of interest on this bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the State of Indiana or the Indiana Bond Bank under the terms of the Financial Assistance Agreement, all payment of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the State of Indiana as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner. All payments on the bond shall be made in coin or currency of the United States of America, which on the dates of such payment shall be legal tender for the payment of public and private debts.

THIS BOND SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF THE PROVISIONS AND LIMITATIONS OF THE CONSTITUTION OF THE STATE OF INDIANA, AND THE ISSUER SHALL NOT BE OBLIGATED TO PAY THIS BOND OR THE INTEREST THEREON EXCEPT FROM THE SPECIAL FUND PROVIDED FROM THE NET REVENUES DESCRIBED HEREIN.

This bond is one of an authorized issue of bonds of the Issuer, of like date, tenor and effect, except as to numbering, interest rates and dates of maturity, in the total amount of \$1,600,000, numbered from R-1 up, issued for the purpose of providing funds to be applied on the cost of acquisition, construction and improvement of a certain municipal waterworks utility, and to pay incident expenses, as authorized by an ordinance adopted by the governing body of the Issuer on the ____ day of _____, 2001, entitled "An Ordinance concerning the acquisition, construction and improvement by the Town of Georgetown, of its waterworks utility, the issuance and sale of revenue bonds to pay the costs thereof, the collection, segregation and distribution of the revenues of the utility, the safeguarding of the interests of the owners of the revenue bonds, and other matters connected therewith and repealing ordinances inconsistent herewith" (the "2001 Bond Ordinance"), and in strict compliance with the provisions of Indiana Code 5-1, Indiana Code 8-1.5-2 and other applicable laws relating to the issuance of revenue bonds, as amended (collectively, the "Act").

Reference is hereby made to the Financial Assistance Agreement (the "Financial Assistance Agreement") between the Issuer and the State of Indiana as to certain terms and

covenants pertaining to the waterworks project and this Bond.

Pursuant to the provisions of the Act and the 2001 Bond Ordinance, the principal and interest on this bond and all other bonds of the issue and any bonds hereafter issued on a parity therewith, are payable solely from the Sinking Fund (created by the 2001 Bond Ordinance) to be provided from the Net Revenues (herein defined as the gross revenues remaining after the payment of the reasonable expenses of operation, repair and maintenance) of the waterworks, including the waterworks improvements constructed or paid for by the use of the proceeds of this bond and all additions and improvements thereto and replacements thereof subsequently constructed or acquired.

The Issuer irrevocably pledges the entire Net Revenues of its waterworks utility to the prompt payment of the principal of and interest on the bonds authorized by the 2001 Bond Ordinance, of which this is one, and any bonds ranking on a parity therewith, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by its waterworks utility as are sufficient in each year for the payment of proper and reasonable expenses of Operation and Maintenance (as defined in the Financial Assistance Agreement) of its waterworks utility and for the payment of the sums required to be paid into the Sinking Fund under the provisions of the Act and the 2001 Bond Ordinance. In the event the Issuer or the proper officers or officials thereof shall fail or refuse to so fix, maintain or collect such rates or charges, or if there be a default in payment of the interest on or principal of this bond, the owner of this bond shall have all of the rights and remedies provided for in the Act, including the right to have a receiver appointed to administer its waterworks utility and to charge and collect rates sufficient to provide for the payment of this bond and the interest hereon.

The Issuer further covenants that it will set aside and pay into its Sinking Fund a sufficient amount of the Net Revenues of its waterworks utility to meet (a) the interest on all bonds payable from the revenues of its waterworks utility (including the bonds authorized by the 2001 Bond Ordinance), as such interest shall fall due, (b) the necessary fiscal agency charges for paying all bonds and interest, (c) the principal of all bonds payable from the revenues of its waterworks utility (including the bonds authorized by the 2001 Bond Ordinance), as such principal shall fall due, and (d) an additional amount as a margin of safety to create the reserve required by the 2001 Bond Ordinance. Such required payments shall constitute a first charge upon all the Net Revenues of its waterworks utility, all as more particularly described in the 2001 Bond Ordinance.

The bonds of this issue maturing on _____, or thereafter, are redeemable at the option of the Issuer on _____, or any date thereafter, on not less than thirty (30) days' notice, in whole or in part, in inverse chronological order of maturity and by lot within a maturity, at face value together with the following premiums (expressed in percentage of face value):

___% if redeemed on _____ or thereafter before
_____;

___% if redeemed on _____ or thereafter before
_____;

0% if redeemed on _____ or thereafter;

plus in each case accrued interest to the date fixed for redemption.

Notice of such redemption shall be mailed to the address of the registered owner as shown on the registration record of the Issuer not less than thirty (30) days prior to the date fixed for redemption unless such redemption notice is waived by the owners of the bond or bonds redeemed. The notice shall specify the date and place of redemption and sufficient identification of the bonds called for redemption. The place of redemption may be determined by the Issuer. Interest on the bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named and when the bonds shall be presented for redemption.

If this bond shall not be presented for payment or redemption on the date fixed therefor, the Issuer may deposit in trust with its depository bank an amount sufficient to pay such bond or the redemption price, as the case may be, and thereafter the registered owner shall look only to the funds so deposited in trust with the bank for payment and the Issuer shall have no further obligation or liability in respect thereto.

This bond is subject to defeasance prior to redemption or payment as provided in the 2001 Bond Ordinance and the owner of this bond, by the acceptance hereof, hereby agrees to all the terms and provisions contained in the 2001 Bond Ordinance.

This bond is transferable or exchangeable only upon the books of the Issuer kept for that purpose at the office of the Registrar, or its successor, by the registered owner hereof in person, or by such owner's attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or such owner's attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or to the registered owner, as the case may be, in exchange therefor. The Issuer, the Registrar and any paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

The bonds maturing in any one year are issuable only in fully registered form in the denomination of One Dollar (\$1) or any integral multiple thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the preparation and complete execution, issuance and delivery of

this bond have been done and performed in regular and due form as provided by law.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

IN WITNESS WHEREOF, the Issuer has caused this bond to be executed in its corporate name by the manual or facsimile signature of the President of the Town Council of the Issuer, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its Clerk-Treasurer.

TOWN OF GEORGETOWN

By: Patti Denison
President of the Town Council

Attest:

Linda K. Sanders
Clerk-Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this bond is one of the bonds described in the within-mentioned 2001 Bond Ordinance duly authenticated by the Registrar.

Town of Georgetown, Clerk-Treasurer, as Registrar

By: Linda K. Sanders
Authorized Representative

The following abbreviations, when used in the inscription of the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM.	as tenants in common
TEN ENT.	as tenants by the entireties
JT TEN.	as joint tenants with right of survivorship and not as tenants in common

UNIF TRANSFERS MIN ACT. Custodian
(Cust) (Minor)

under Uniform Transfers to Minors Act

(State)

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____
_____.

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF TRANSFEREE

(Please Print or Typewrite
Name and Address of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____, attorney to transfer the within Bond on the registration
books of the Registrar, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be
guaranteed by an eligible guarantor institution
participating in a Securities Transfer
Association recognized signature guarantee
program.

Registered Owner
(NOTE: The signature above
must correspond with the name of the
Registered Owner as it appears on the front of
this Bond in every particular without
alteration or enlargement or any change
whatsoever.)

EXHIBIT A

Date*

Amount

Date*

Amount

- * Pursuant to the Financial Assistance Agreement, the final maturity of this Bond may occur prior to those set forth above in order that the final maturity of this Bond not exceed 20 years from Substantial Completion of Construction (as defined in the Financial Assistance Agreement).

[End of Bond Form]

Section 8. Preparation of Bonds. The Clerk-Treasurer is hereby authorized and directed to have the Bonds prepared, and the President of the Town Council and Clerk-Treasurer of the Issuer are hereby authorized and directed to execute the Bonds in the form and manner herein provided. The opinion of Bingham Summers Welsh & Spilman, LLP, Indianapolis, Indiana, bond counsel, approving the legality of the Bonds, will be furnished to the purchaser at the expense of the Issuer.

Section 9. Sale of Bonds. The Clerk-Treasurer is hereby authorized and directed to deliver the Bonds to the purchaser thereof after sale made in accordance with the provisions of this Ordinance, provided that at the time of the delivery the Clerk-Treasurer shall collect the full amount which the purchaser has agreed to pay therefor, which amount shall not be less than the face value of the Bonds, plus accrued interest, if any, from the date thereof to the date of delivery. The Bonds herein authorized, as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the Issuer, payable out of the Net Revenues of the Issuer's Waterworks to be set aside into the Sinking Fund as herein provided, and the proceeds derived from the sale of the Bonds shall be and are hereby set aside for the refunding of any other interim borrowing, if any, related to the Project, application on the cost of the Project and the expenses necessarily incurred in connection therewith. In the event it shall be hereafter determined that it is not necessary to issue all of the Bonds authorized by this Ordinance, the Clerk-Treasurer shall be authorized to sell and deliver a lesser amount of Bonds than herein authorized. The proper officers or officials of the Issuer are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary, to carry out the provisions of this Ordinance.

Section 10. Use of Proceeds and Construction Account. The proceeds from the sale of the Bonds shall be deposited in a bank or banks which are legally designated depositories for the funds of the Issuer, in a special account or accounts to be designated (with additional designations as deemed useful by the officer or official establishing such account) as the "Waterworks Construction Account" (the "Construction Account") or directly applied to the payment of costs of the Project as contemplated by the Financial Assistance Agreement. The funds in the Construction Account shall be expended only for the purpose of paying the cost of the Project or as otherwise required by the Act or for the incidental expenses incurred in connection therewith, including legal fees, and for the payment of interest accruing on the Bonds during the period of construction, if required for that purpose. Any balance or balances remaining unexpended in such special account or accounts after completion of the Project, which are not required to meet unpaid obligations incurred in connection with the Project, shall be paid into the Sinking Fund or be used as permitted in Indiana Code 5-1-13.

Section 11. There is hereby created a fund designated as the Waterworks Revenue Fund (the "Revenue Fund") and there shall be deposited into the Revenue Fund, upon receipt, all

income and revenues of the Utility. The Revenue Fund shall be maintained separate and apart from all other bank accounts of the Issuer. Except as permitted hereunder, no moneys derived from the revenues of the Utility shall be transferred to the General Fund of the Issuer or be used for any purpose not connected with the Utility so long as any obligations payable from the Net Revenues of the Utility are outstanding.

Section 12. Operation and Maintenance Fund. There is hereby created a fund designated the Operation and Maintenance Fund (the "Operation and Maintenance Fund") and it shall be credited on the last day of each calendar month with a sufficient amount of revenues of the Utility so that the balance in the Operation and Maintenance Fund shall be sufficient to pay the expenses of operation, repair and maintenance for the then next succeeding two calendar months. Moneys credited to the Operation and Maintenance Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the Utility on a day-to-day basis, but none of the moneys in the Operation and Maintenance Fund shall be used for depreciation, replacement, improvements, extensions or additions. Any balance in the Operation and Maintenance Fund in excess of the expected expense of operation, repair and maintenance for the next succeeding month may be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the outstanding obligations of the Utility.

Section 13. Sinking Fund. There is hereby created a fund designated Waterworks Sinking Fund (the "Sinking Fund") for the payment of the principal of and interest on revenue bonds which by their terms are payable from the Net Revenues of the Utility, and the payment of any fiscal agency charges in connection with the payment of obligations and interest. There shall be set aside and deposited in the Sinking Fund, as available, and as hereinafter provided, a sufficient amount of the Net Revenues of the Utility to meet the requirements of the herein created Bond and Interest Account and the Debt Service Reserve Account in the Sinking Fund. Such payments shall continue until the balance in the Bond and Interest Account, plus the balance in the Debt Service Reserve Account hereinafter described, equals the amount needed to redeem all the then outstanding obligations of the Issuer.

(a) Bond and Interest Account. There shall be credited, on the last day of each calendar month, to the Bond and Interest Account an amount of Net Revenues equal to the sum of (i) one-sixth ($1/6$) of the interest on all then outstanding obligations payable from Net Revenues on the then next succeeding interest payment date (except with respect to the first interest payment date, such fraction credited on a monthly basis shall be sufficient to assure that funds will be available to make such interest payment) and (ii) at least one-twelfth ($1/12$) of the principal on all then outstanding obligations payable from Net Revenues of the Utility payable from Net Revenues on the then next succeeding principal payment date (except with respect to the first principal payment date, such fraction credited on a monthly basis shall be sufficient to assure that funds will be available to make such principal payment), until the amount of interest and principal payable on the then next succeeding respective interest and principal payment dates shall have been so credited. There shall similarly be credited to the account the amount necessary to pay the bank fiscal agency charges for paying principal and interest on the obligations payable from Net Revenues of the Utility as the same become payable. The

Issuer shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner and to the bank fiscal agency sufficient moneys to pay the principal and interest on the due dates thereof together with the amount of bank fiscal agency charges.

(b) Debt Service Reserve Account. Following the issuance of the Bonds, there shall be credited to and become a part of the Debt Service Reserve Account not less than the required monthly deposit (or such higher amount as fixed by the Issuer) from the Net Revenues of the Utility on the last day of each calendar month until the balance therein equals, but does not exceed, maximum annual debt service on then outstanding Bonds in the then present or any succeeding year ("Reserve Requirement"); provided that the Issuer shall give 15 days prior written notice to the State before transferring funds out of the Debt Service Reserve Account. Further, in the event any revenue bonds are hereafter issued which are payable from the Net Revenues of the sewage works on a parity with the Bonds ("Parity Bonds"), such Reserve Requirement shall be equal to the combined maximum annual debt service on the Bonds and such Parity Bonds; provided, however, that in the event at the time of issuance of any Parity Bonds it is determined by national recognized bond counsel that maintenance of a reserve at an amount equal to combined maximum annual debt service would preclude the interest on such Parity Bonds from excludible from gross income for federal income tax purpose, then the Town may issue such Parity Bonds by an authorizing ordinance which shall provided that in lieu of being secured by or payable from the Debt Service Reserve Account herein created, such Parity Bonds will be secured by and payable from a separate reserve account therein created with a reserve requirement fixed at the maximum amount then determined as not precluding the interest on such Parity Bonds from excludible from gross income for federal income tax purpose. The Clerk-Treasurer, with the advice of the Issuer's financial advisor, may transfer an amount of the funds of the Utility now on hand in full or partial satisfaction of the Reserve Requirement. The Town shall make monthly deposits to the Debt Service Reserve Account which are equal in amount and are sufficient in the aggregate (after consideration of any transfers made pursuant to the prior sentence) to accumulate the Reserve Requirement within five (5) years from the date of delivery of the Bonds. The balance within the Debt Service Reserve Account shall never exceed the Reserve Requirement.

The Debt Service Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on outstanding obligations payable from Net Revenues of the Utility, and the moneys in the Debt Service Reserve Account shall be used to pay current principal and interest on the Bonds and any Parity Bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Debt Service Reserve Account shall be promptly made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. In the event the money in the Debt Service Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on the Bonds and any Parity Bonds, then such depletion of the balance in the Debt Service Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account. Any

moneys in the Debt Service Reserve Account in excess of the Reserve Requirement shall be transferred to the Improvement Fund unless used for the prepayment of installments of principal on the then outstanding Bonds and any Parity Bonds that are then callable or prepayable, or for the purchase of outstanding obligations payable from Net Revenues of the Utility, including accrued interest.

Section 14. Improvement Fund. In the event all required monthly payments into the Operation and Maintenance Fund and the Sinking Fund, including the Bond and Interest Account and the Debt Service Reserve Account, have been met to date, and the Reserve Requirement has been accumulated in the Debt Service Reserve Account (or within five (5) years from the date of delivery of the Bonds, the required payments to date have been made to the Debt Service Reserve Account), then any excess Net Revenues may be transferred into the fund created herein designated as the "Waterworks Improvement Fund" (the "Improvement Fund") and the Improvement Fund shall be used for depreciation, improvements, replacements, additions and extensions of the Utility. Moneys in the Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding bonds or, if necessary, to eliminate any deficiencies in credits to or minimum balance in the Reserve Account of the Sinking Fund, or may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation and maintenance of the Utility. Any revenues remaining in the Improvement Fund may be used for any lawful purpose including transfers to the Issuer's general fund or any other fund of the Issuer.

Section 15. Priority of Payments. The revenues of the Waterworks shall be applied towards the payment of, in order of priority, the following: *first*, the expenses of operation, repair and maintenance; *second*, on a *pari passu* (parity) basis, the principal of and interest on the Bonds and any additional bonds issued on a parity therewith; *third*, to meet the requirements of the reserve required for the obligations payable from the Net Revenue of the Waterworks, and *fourth*, expenses or costs that may be paid from the Improvement Fund. All moneys and investments in the Funds and Accounts established by this Ordinance, together with the revenues of the Waterworks, shall be applied by the Issuer in accordance with the terms of this Ordinance.

Section 16. Nature of Accounts and Investments. The Sinking Fund shall consist of at least one separate bank account of the Issuer. The Operation and Maintenance Fund and the Improvement Fund may be maintained in a single bank account, or accounts, but such bank account, or accounts, shall likewise be maintained separate and apart from all other bank accounts of the Issuer and apart from the Sinking Fund bank account or accounts. All moneys deposited in the bank accounts shall be deposited, held, secured and invested as public funds in accordance with the public depository laws and investment laws of the State of Indiana as now in effect (including particularly Indiana Code 5-13-9) or as hereafter supplemented and amended. All earnings on the investments held in the bank account shall be retained in the respective Fund and used for the purposes or transferred as therein provided.

The Clerk-Treasurer is hereby authorized pursuant to Indiana Code 5-1-14-3 to invest moneys pursuant to the provisions of this Ordinance (subject to applicable requirements of federal law to ensure such yield is then current market rate) to the extent necessary or advisable to

preserve the exclusion from gross income of interest on the Bonds under federal law.

The Clerk-Treasurer shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts created or referenced herein. In order to comply with the provisions of this Ordinance, the Clerk-Treasurer is hereby authorized and directed to employ consultants or attorneys from time to time to advise the Issuer as to requirements of federal law to preserve the tax exclusion. The Clerk-Treasurer may pay any fees as operation expenses of the Waterworks.

Section 17. Maintenance of Books and Records. The Issuer shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from the Waterworks and all disbursements made on account of the Waterworks, and all transactions relating to the Waterworks. There shall be prepared and furnished to the original purchasers of the Bonds and, upon written request, to any subsequent owner of at least \$25,000 in principal amount of the Bonds, not more than one hundred twenty (120) days after the close of each fiscal year, complete operating income and expense statements of the Waterworks, covering the preceding fiscal year and the balances in the several funds and accounts created by this Ordinance. The fiscal year of the Waterworks shall be from January 1 to December 31, both inclusive. Copies of all such statements and reports, together with all audits of the Waterworks made available to the Issuer by the Indiana State Board of Accounts or any successor body authorized by law to audit municipal accounts, shall be kept on file in the office of the Clerk-Treasurer. Any owner or owners of at least \$25,000 in principal amount of the Bonds then outstanding shall have the right at all reasonable times to inspect the Waterworks and all records, accounts, statements, audits, reports and data of the Issuer relating to the Waterworks. Such inspections may be made by representatives duly authorized by written instrument.

The Issuer shall establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) and the Waterworks in accordance with (i) generally accepted governmental accounting standards for utilities, on an accrual basis, as promulgated by the Government Accounting Standards Board and (ii) the rules, regulations and guidance of the State Board of Accounts.

Section 18. Rate Covenant. The Issuer covenants and agrees that it will establish and maintain just and equitable rates and charges for the use of and the service rendered by the Waterworks, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the Waterworks, or that in any way uses or is served by the Waterworks, at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the Issuer) to provide for the proper Operation and Maintenance (as defined in the Financial Assistance Agreement) of the Waterworks, to comply with and satisfy all covenants contained in this Ordinance and the Financial Assistance Agreement and to pay all obligations of the Waterworks and of the Issuer with respect to the Waterworks. Such rates and charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of Operation and Maintenance of the Waterworks and the requirements of the Sinking Fund. The rates and charges so established shall apply to any and all use of the Waterworks by and service rendered to the Issuer,

and shall be paid by the Issuer as the charges accrue.

Section 19. Defeasance of Bonds. If, when the Bonds issued hereunder or any portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds or any portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds then outstanding or any portion thereof shall be paid; or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (including obligations issued or held in book entry form in the records of the Department of Treasury), the principal of and the interest on which when due will provide sufficient moneys, or (iii) time certificates of deposit fully secured as to both principal and interest by obligations of the kind described in (ii) above of a bank or banks the principal of and interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds issued hereunder or any designated portion thereof shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the Issuer's Waterworks.

Section 20. Additional Obligations. The Issuer reserves the right to authorize and issue additional bonds, payable out of the Net Revenues of its Utility, ranking on a parity with the Bonds authorized by this Ordinance, for the purpose of financing the cost of future additions, extensions and improvements to the Utility, or for refunding all or a portion of the Bonds or any bonds ranking on a parity with the Bonds, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the Net Revenues of the Utility shall have been paid to date in accordance with the terms thereof and all credits required to be made to the Sinking Fund and the accounts thereof shall have been made to date. The Reserve Requirement shall be satisfied for the additional Parity Bonds either at the time of delivery of the additional Parity Bonds or over a five year or shorter period, in a manner which is commensurate with the requirements established in Section 13 of this Ordinance; and

(b) The Net Revenues of the Utility in the fiscal year immediately preceding the issuance of any such additional bonds (provided, within the 90 day period following the end of such preceding fiscal year, if such year's accounting records are not final as of the sale date of the additional bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding fiscal year) ranking on a parity with the Bonds authorized by this Ordinance shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of the parity bonds, the Utility rates and charges shall be increased sufficiently so that the increased rates and charges applied to the preceding fiscal year's operations (provided, within the 90 day period following the end of such preceding fiscal year, if such year's accounting records are not final as of the sale date of the additional bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding fiscal year) would have produced annual Net Revenues for the years equal to not less than one hundred

twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the proposed additional parity bonds to the final maturity of the then outstanding bonds (for purposes of this subsection, the records of the Utility shall be analyzed and all showings shall be prepared by a certified public accountant employed by the Issuer for that purpose); and

(c) The principal of and mandatory sinking fund redemption for the additional parity bonds shall be payable on January 1 and the interest on the additional parity bonds shall be payable semi-annually on January 1 and July 1 in the years in which such principal and interest are payable; and

(d) If the Bonds are sold to the State of Indiana, (i) the Issuer obtains the consent of the State of Indiana, (ii) the Issuer has faithfully performed and is in compliance with each of its obligations, agreements and covenants contained in the Financial Assistance Agreement and this Ordinance, and (iii) the Issuer is in compliance with its Utility permits, except for non-compliance for which purpose the bonds are issued, including refunding bonds issued prior to, but part of the overall plan to eliminate such non-compliance.

Section 21. Additional Covenants. For the purpose of further safeguarding the interests of the owners of the Bonds herein authorized, it is specifically provided as follows:

(a) All contracts let by the Issuer in connection with the Project shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety Bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of the contracts in accordance with their terms, and such contractors shall also be required to carry such employers liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respect by the laws of the State of Indiana relating to public contracts.

(b) The Project shall be under the supervision and subject to the approval of the Project Engineer, or such other competent engineer as shall be designated by the Issuer. All estimates for work done or material furnished shall first be checked by the engineer and approved by the Issuer.

(c) The Issuer shall at all times maintain its Waterworks in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) The Issuer shall acquire and maintain insurance coverage as required by the State of Indiana, including fidelity bonds, to protect the Waterworks and its operations. Provided that if the Issuer is not so directed by the State of Indiana, the Issuer shall acquire and maintain insurance on the insurable parts of the Waterworks of a kind and in any amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds and condemnation

awards shall be used in replacing or repairing the property destroyed or damaged; provided, that the State of Indiana must consent to a different use of such proceeds or awards.

(e) So long as any of the Bonds are outstanding, the Issuer shall not mortgage, pledge or otherwise encumber such Waterworks, or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except to replace equipment which may become worn out or obsolete or no longer suitable for use in the Waterworks; provided, that such exception shall only apply if the State of Indiana consents.

(f) The Issuer shall not borrow any money, enter into any contract or agreement or incur any other liabilities in connection with the Waterworks, other than for normal operating expenditures, without the prior written consent of the State of Indiana if such undertaking would involve, commit or use the revenues of the Waterworks.

(g) Except as otherwise permitted pursuant to this Ordinance, so long as any of the Bonds herein authorized are outstanding, no additional Bonds or other obligations pledging any portion of the revenues of the Waterworks shall be authorized, executed or issued by the Issuer except such as shall be made subordinate and junior in all respects to the Bonds herein authorized, unless all of the Bonds herein authorized are redeemed, retired or defeased pursuant to Section 19 hereof as of or coincidentally with the delivery of such additional Bonds or other Bonds.

(h) The provisions of this Ordinance shall constitute a contract by and between the Issuer and the owners of the Bonds herein authorized, and after the issuance of the Bonds, this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of the Bonds, nor shall the Legislative Body adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of the Bonds or the interest thereon remain unpaid. Excluding the changes set forth in Section 23 of this Ordinance requiring the consent of all Bondholders, this Ordinance may be amended without the consent of the owners of the Bonds if the Legislative Body determines, in its sole discretion, that such amendment would not adversely affect the owners of the Bonds; provided, however, that the Issuer shall also obtain the prior written consent of the State of Indiana.

(i) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds herein authorized for the uses and purposes herein set forth, and the owners of the Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Ordinance and of the Act. The provisions of this Ordinance shall also be construed to create a trust in the portion of the Net Revenues herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of the fund as in this Ordinance set forth. The owners of the Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the Act, including the right to have a receiver appointed to administer the Waterworks, in the event of default in the payment of the principal or interest on any of the Bonds herein authorized or in the event of default in respect to any of the provisions of this Ordinance or the Act.

Section 22. Tax Covenants. In order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 as existing on the date of the issuance of the Bonds (the "Code") and as an inducement to purchasers of the Bonds, the Issuer represents, covenants and agrees that:

(a) No person or entity, other than the Issuer or another state or local governmental unit, will use proceeds of the Bonds or property financed by Bond proceeds other than as a member of the general public. No person or entity other than the Issuer or another state or local governmental unit will own property financed by Bond proceeds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as take-or-pay or output contract, or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large.

(b) No Bond proceeds will be loaned to any entity or person other than a state or local governmental unit. No Bond proceeds will be transferred, directly or indirectly, or deemed transferred, directly or indirectly, to a nongovernmental person in any manner that would in substance constitute a loan of the Bond proceeds.

(c) The Issuer will not take any action nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code.

(d) It shall not be an event of default under this Ordinance if the interest on any Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of the issuance of the Bonds.

(e) The Issuer intends to comply with the rebate requirement of Section 148(f) of the Code. Unless exempted from rebate pursuant to Section 148(f) of the Code, the Issuer shall pay to a special account designated as the "Town of Georgetown [Bond] Rebate Fund" (each respectively a "Rebate Fund") such amounts, if any, from the Construction Account and such other accounts and funds and at such times as are required pursuant to the Memorandum of Compliance with Rebate Obligations of the Code (the "Rebate Memorandum"), as amended from time to time, to be delivered as of the date of delivery of the Bonds by Bond Counsel to the Issuer. Moneys in the Rebate Fund shall be held in trust by the Issuer and, except as otherwise provided in the Rebate Memorandum, shall be held for future payments to the United States of America, all as required pursuant to the Rebate Memorandum. The Issuer shall pay from the Rebate Fund such amounts, if any, to the United States of America or to such other Funds and at such times as are required pursuant to the Rebate Memorandum.

(f) The Issuer represents that:

(1) The Issuer is a governmental unit with general taxing powers, which powers include the power to impose taxes of general applicability that, when collected, may be used for the general purposes of the Issuer;

(2) The Bonds are not private activity bonds as defined in Section 141 of the Code;

(3) At least 95% of the net proceeds of the Bonds will be used for local governmental activities of the Issuer or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the Issuer;

(4) The aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the Issuer and all units subordinate to the Issuer, including on-behalf-of issuers and subordinate entities as those terms are defined in Regulations Section 1.148-8(c)(2), is not reasonably expected to exceed \$5,000,000 in calendar year in which the Bonds are issued; and

(5) The Issuer has not been formed or availed of to otherwise avoid the purposes of the \$5,000,000 size limitation.

Therefore, the Issuer meets the requirements of Section 148(f)(4)(D) of the Code and will not have to rebate any arbitrage profits to the United States.

(g) The Issuer represents that:

(1) The Bonds are not private activity bonds as defined in Section 141 of the Code;

(2) The Issuer hereby designates the Bonds as qualified tax-exempt obligations for purposes of Section 265(b) of the Code; and

(3) The reasonably anticipated amount of (A) qualified tax-exempt obligations which will be issued by the Issuer and all entities subordinate to the Issuer, including the Bonds, and (B) qualified obligations issued on behalf of 501(c)(3) organizations by the Issuer and all entities subordinate to the Issuer, will not in aggregate, during the calendar year in which the Bonds are issued, exceed \$10,000,000.

(4) The Issuer has not designated more than \$10,000,000 of qualified tax-exempt obligations during the calendar year in which the Bonds are to be issued.

Notwithstanding any other provisions of this Ordinance, the covenants and authorizations contained in this Ordinance (the "Tax Sections") which are designed to preserve the exclusion of interest on the Bonds from gross income under federal law (the "Tax Exemption") need not be complied with if the Issuer receives an opinion of nationally recognized bond counsel to the effect

that any of the Tax Sections are unnecessary to preserve the Tax Exemption.

Section 23. Amendments with Bondholder Consent. Subject to the terms and provisions contained in this Section and as permitted elsewhere in this Ordinance (including Section 21 and Section 22 herein), and not otherwise, the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the Bonds issued pursuant to this Ordinance and then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Issuer of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that the Issuer shall obtain the prior written consent of the State of Indiana; and provided, further, that nothing herein contained shall permit or be construed as permitting:

- (a) An extension of the maturity of the principal of or interest on any Bond issued pursuant to this Ordinance or the extension of mandatory sinking fund redemption dates, if any; or
- (b) A reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or
- (c) The creation of a lien upon or a pledge of the revenues of the Waterworks ranking prior to the pledge thereof created by this Ordinance; or
- (d) A preference or priority of any Bond or Bonds issued pursuant to this Ordinance over any other Bond or Bonds issued pursuant to the provisions of this Ordinance; or
- (e) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance; or
- (f) A reduction in the Reserve Requirement.

The owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk-Treasurer of the Issuer. No owner of any Bond issued pursuant to this Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Issuer or its officers or officials from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the Issuer and all owners of Bonds issued pursuant to the provisions of this Ordinance then outstanding, shall thereafter be determined, exercised and enforced in accordance with this Ordinance, subject in all

respect to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the Issuer and the owners of the Bonds authorized by this Ordinance, and the terms and provisions of the Bonds and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the Issuer and the consent of the owners of all the Bonds issued pursuant to this Ordinance then outstanding.

Section 24. Rates and Charges. The estimate of the rates and charges for the several classes of users of the Waterworks is as set forth in the Issuer's Ordinance No. ___ as amended by Ordinance No. ___-2001, which schedule is available in the office of the Clerk-Treasurer.

Section 25. Additional Authority. The President of the Town Council and the Clerk-Treasurer of the Issuer and either of them, is hereby authorized and directed to do and perform all acts and execute in the name of the Issuer all such instruments, documents, papers or certificates which are necessary, desirable or appropriate to carry out the transactions contemplated by this Ordinance in such forms as the President of the Town Council or Clerk-Treasurer executing the same shall deem proper, to be conclusively evidenced by the execution thereof.

Section 26. Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 27. Effective Date. This Ordinance shall be in full force and effect from and after its passage.

The foregoing was passed by the Legislative Body of the Issuer this ____ day of _____, 2001.

AYES

Patricia Denison
Larry Curran
Kenneth Frederick

Council Members

NAYES


Gregory Carson

Council Members

STATE OF INDIANA)
) SS:
COUNTY OF FLOYD)

I, the undersigned Clerk-Treasurer of the Town of Georgetown, in Floyd County, Indiana, do hereby certify the above and foregoing is a full, true, and complete copy of Ordinance No. 6-01-07 ~~2001~~, passed by the Issuer's Council on the 27 day of November, 2001, by a vote of 3 AYES and 1 NAYS and now remains on file and on record in my office.

WITNESS my hand and the official seal of the Town of Georgetown, this 27 day of November, 2001.


Clerk-Treasurer

(SEAL)

PASSED FIRST READING: _____

PASSED SECOND READING: _____

PASSED THIRD READING: _____

550455

EXHIBIT A

Description of the Project

The Project will include the following:

- A transmission main
- Pumping facilities
- 300,000-gallon elevated steel water storage tank;
- Pressure reducing stations;
- Distribution system additions; and
- Telemetry and control system.

EXHIBIT B
Form of Financial Assistance Agreement

STATE OF INDIANA
DRINKING WATER REVOLVING LOAN PROGRAM

FINANCIAL ASSISTANCE AGREEMENT made as of this ___ day of _____ 2001 by and between the State of Indiana (the "State") acting by and through the State Budget Agency (the "Budget Agency") and the Town of Georgetown, Indiana (the "Qualified Entity"), a political subdivision as defined in I.C. 13-11-2-164, operating its water utility under I.C. 8-1.5-2, witnesseth:

WHEREAS, the State's Drinking Water Revolving Loan Program (the "Drinking Water SRF Program") has been established in accordance with the federal Safe Drinking Water Act and any regulations promulgated thereunder, and pursuant to I.C. 13-18-21 (the "Drinking Water SRF Act"), which Drinking Water SRF Act also establishes the drinking water revolving loan fund (the "Drinking Water SRF Fund"); and

WHEREAS, the State is authorized pursuant to the Drinking Water SRF Act to fund the Drinking Water SRF Program with federal capitalization grants, together with required State matching funds, therefor; and

WHEREAS, the Indiana Bond Bank (the "Bond Bank") has had a longstanding commitment to finance water quality and drinking water projects for qualified entities by issuing its bonds, pursuant to I.C. 5-1.5 (the "Bond Bank Act") for the purpose of buying securities of such qualified entities; and

WHEREAS, in keeping with its public purpose under the Bond Bank Act, the Bond Bank intends to cooperate with the State in financing the Drinking Water SRF Program, including the required State matching funds, and the political subdivisions' drinking water projects and, to that end, the State intends to cooperate with the Bond Bank; and

WHEREAS, to finance the Drinking Water SRF Program, including the required State matching funds, the Bond Bank has previously and will issue from time to time one or more series of its State Revolving Fund Program Bonds; and

WHEREAS, the Qualified Entity is a duly existing political subdivision of the State, lawfully empowered to undertake all transactions and execute all documents mentioned or contemplated herein; and

WHEREAS, the Qualified Entity has determined to undertake a drinking water system project (as more fully described herein, the "Project") and to borrow money from the Drinking Water SRF Program to construct and acquire the Project; and

WHEREAS, the State and the Qualified Entity desire to set forth the terms of such financial assistance as hereinafter provided.

NOW THEREFORE, in consideration of the mutual covenants herein set forth, the State and the Qualified Entity agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. The following terms shall, for all purposes of this Agreement, have the following meaning:

“Agency” shall mean the United States Environmental Protection Agency or its successor.

“Authorizing Instrument(s)” shall mean the separate trust indenture(s) of the Qualified Entity entered into with a corporate trustee or the detailed resolution(s) or ordinance(s) of the governing body of the Qualified Entity pursuant to which the Bonds are issued in accordance with State law.

“Authorized Representative” shall mean the Clerk-Treasurer of the Qualified Entity or such other officer, official, or representative of the Qualified Entity duly authorized to act for and on behalf of the Qualified Entity as provided for herein.

“Bond” or **“Bonds”** shall mean the instrument(s) which evidence(s) the Loan, as authorized by the Authorizing Instrument and containing the terms set forth in Section 2.02 of this Agreement.

“Bond Bank Bonds” shall mean any Indiana Bond Bank Drinking Water State Revolving Fund Program Bonds issued as a part of the Drinking Water SRF Program.

“Bond Fund” shall mean the separate and segregated fund or account established and created by the Political Subdivision pursuant to the Authorizing Instrument from which payment of the principal of and interest on the Bonds is required to be made by the Qualified Entity.

“Budget Agency” shall mean the State Budget Agency created under I.C. 4-12-1-3 or its successor.

“Business Day” shall mean any day other than a Saturday, Sunday or State legal holiday or any other day on which financial institutions in the State are authorized by law to close and to remain closed.

“Code” shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, together with the regulations related thereto.

“Commission” shall mean the Indiana Utility Regulatory Commission created under I.C. 8-1-1-2 or its successor.

“Department” shall mean the Indiana Department of Environmental Management created under I.C. 13-13-1-1 or its successor.

“Disbursement Request” shall mean a request for a disbursement of the Loan made by an Authorized Representative in the form of Exhibit A to this Agreement, with appropriate attachments, or in such other forms as the State may from time to time prescribe.

“Drinking Water SRF Fund” shall mean the drinking water revolving loan fund as established by I.C. 13-18-21-2.

“Drinking Water SRF Indenture” shall mean the Drinking Water SRF Trust Indenture, dated as of September 1, 1998 between the State and the Trustee, as amended and supplemented from time to time.

“Drinking Water SRF Program Director” shall mean the person designated by the Department and the Budget Agency as authorized to act as the Drinking Water SRF Program Director for purposes of this Agreement.

“Drinking Water SRF Program Representative” shall mean the person designated by the Department and the Budget Agency as authorized to act as the Drinking Water SRF Program Representative.

“Drinking Water System” shall mean all, or any part of, the system for the provision to the public of water for human consumption through pipes and other constructed conveyances that:

- (1) has at least fifteen (15) service connections; or
- (2) regularly serves at least twenty-five (25) individuals;

and as further defined and described in I.C. 13-11-2-177.3, 85 I.A.C. 2-2-26 and 327 I.A.C. 14-2-28, each as amended and supplemented from time to time.

“Eligible Cost” shall mean and include, whether incurred before or after the date of this Agreement, all costs which have been incurred and qualify for Financial Assistance, including engineering, financing and legal costs related thereto.

“Financial Assistance” shall mean the financial assistance authorized by the Safe Drinking Water Act, including the Loan.

“Loan” shall mean the purchase of the Bonds by the State to finance the planning, designing, constructing, renovating, improving and expanding of the Qualified Entity’s Drinking Water System or refinance an existing debt obligation where such debt was incurred and building

of such systems began after July 1, 1993, but does not mean the provision of other Financial Assistance.

“Operation and Maintenance” shall mean the activities required to assure the continuing dependable and economic function of the Drinking Water System, including maintaining compliance with primary and secondary drinking water standards, as follows:

(1) Operation shall mean the control and management of the unit processes and equipment which make up the Drinking Water System, including financial and personnel management, records, reporting, laboratory control, process control, safety and emergency operation planning and operating activities.

(2) Maintenance shall mean the preservation of the functional integrity and efficiency of equipment and structures by implementing systems of preventive and corrective maintenance.

“Plans and Specifications” shall mean the detailed written descriptions of the work to be done in undertaking and completing the Project, including the written descriptions of the work to be performed and the drawings, cross-sections, profiles and the like which show the location, dimensions and details of the work to be performed.

“Preliminary Engineering Report” shall mean the information submitted by the Qualified Entity that is necessary for the Department to determine the technical, economic and environmental adequacy of the proposed Project.

“Project” shall mean the activities or tasks identified and described in Exhibit B to this Agreement, as amended or supplemented by the Qualified Entity and consented to by the State, for which the Qualified Entity may expend the Loan.

“Purchase Account” shall mean the account by that name created by the Drinking Water SRF Indenture and held as part of the Drinking Water SRF Fund.

“Safe Drinking Water Act” shall mean the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq. and other laws supplemental thereto, as amended and supplemented from time to time.

“State” shall mean the State of Indiana, acting through the Department and the Budget Agency.

“Substantial Completion of Construction” shall mean the day on which the Department determines that all but minor components of the Project have been built, all equipment is operational and the Project is capable of functioning as designed.

“Trustee” shall mean Bank One Trust Company, NA, Indianapolis, Indiana, in its capacity as trustee or its successor under the Drinking Water SRF Indenture.

(End of Article I)

ARTICLE II
**PURPOSE OF BORROWING AND
LOAN TERMS**

Section 2.01. Amount; Purpose. The State agrees to Loan an amount not to exceed One Million Six Hundred Thousand Dollars (\$1,600,000) in aggregate principal amount to the Qualified Entity as Financial Assistance to pay for the Eligible Costs, as hereinafter described, of the Project on, and subject to, the terms and conditions contained herein. The Loan shall be used only to pay the following Eligible Costs: (a) eligible planning services for the production of a Preliminary Engineering Report ("Planning"), (b) eligible design services for the production of Plans and Specifications ("Design") and (c) eligible construction costs, including financing and legal costs ("Construction"). The Loan shall be funded solely from available proceeds of the Bond Bank Bonds contained in the Purchase Account or from other sources the State, in its sole discretion, may designate. The Loan is evidenced by the Bonds executed and delivered by the Qualified Entity contemporaneously herewith. The Bonds shall be in fully registered form, with the Bond Bank registered as the registered owner. Pursuant to certain agreements between the State and the Bond Bank, so long as the Bond Bank is the registered owner, the principal of and redemption premium, if any, and interest on the Bonds shall be paid to the Trustee by a wire transfer referenced as follows: Bank One, N.A., BNF: Corporate Trust Services, ABA 044000037, A/C 980219029, OBI: INDIANA BOND BANK SRF, Attn: John Stephens (317) 756-1320. The Qualified Entity agrees to undertake and complete the Project and to receive and expend the Loan proceeds in accordance with this Agreement.

Section 2.02. The Bonds.

(a) The Bonds will bear interest at the per annum rate of three and nine-tenths percent (3.9%) (calculated on the basis of a 360-day year comprised of twelve 30-day months) until paid, as provided in I.C. 13-18-21-10 and -15. Interest, if any, on the Bonds will be payable on January 1 and July 1 of each year, commencing January 1, 2002. The Bonds will be in the aggregate principal amount of One Million Six Hundred Thousand Dollars (\$1,600,000). Subject to Section 2.05 herein, the Bonds will mature on January 1 of each of the years set forth in, and at the principal amount set opposite each such month and year set forth in, the schedule contained in Exhibit C to this Agreement; provided, however, notwithstanding the foregoing or the terms of the Bonds to the contrary, no maturity of Bonds shall extend beyond the date which is twenty (20) years after Substantial Completion of Construction. If the maturity date for any Bonds is beyond such date, unless otherwise agreed to, such Bonds, together with accrued and unpaid interest thereon, will be due and payable on such date.

(b) The Bonds will be subject to redemption by the Qualified Entity as provided in the Authorizing Instrument.

(c) The form and other terms of the Bonds will be in conformity with the Authorizing Instrument.

Section 2.03. Disbursement Conditions. Each of the following shall be a condition precedent to the disbursement of the Loan or any portion thereof:

(a) (1) With respect to procurement of professional services related to the Project to be paid from Loan proceeds, the Qualified Entity shall have complied with 85 I.A.C. 2-2-26 and 327 I.A.C. 14-10-1. (2) With respect to procurement of all other goods and services related to the Project to be paid from Loan proceeds, the Qualified Entity shall have complied with I.C. 36-1-12.

(b) No representation, warranty or covenant of the Qualified Entity contained in this Agreement or in any paper executed and delivered in connection with the transactions contemplated by this Agreement shall be false or inaccurate in any material respect.

(c) The Qualified Entity shall undertake and faithfully perform each of its obligations, agreements and covenants contained in this Agreement, the Authorizing Instrument and the Bonds.

(d) There shall be available to the State uncommitted funds in an amount sufficient to satisfy the State's obligations hereunder from the proceeds of Bond Bank Bonds in the Purchase Account.

(e) The Qualified Entity shall have undertaken all actions necessary to comply with and satisfied the conditions and requirements for a Loan secured with money made available from the Drinking Water SRF Fund as set forth in federal and State statutes, rules and regulations, including I.C. 13-18-21, 85 I.A.C. 2, 327 I.A.C. 14, the Safe Drinking Water Act and 40 C.F.R. Part 35.

(f) Prior to making any Loan disbursement to pay any Construction costs, the Project shall have been approved by the State's Historical Preservation Officer in a manner consistent with the policies and practices of the SRF Program (the "Historical Preservation Approval"). Notwithstanding any provision of this Agreement to the contrary, in the event a Historical Preservation Approval has not been given within four (4) months after the date of this Agreement, the State may, in its sole discretion, reduce the aggregate amount of the Loan to the amount then disbursed and outstanding under this Agreement. Upon giving notice to the Qualified Entity of such action, no further Loan disbursement may be made under this Agreement unless consented to by the State.

Section 2.04. Disbursement Procedures. Loan proceeds shall be disbursed to the Qualified Entity by the Trustee for actual Eligible Costs incurred with respect to the Project. The State may, in its discretion, cause Loan disbursements to be made (a) directly to the person or entity identified in the Disbursement Request to whom payment is due, or (b) if advised in writing by the Qualified Entity that I.C. 36-1-12-14 or a similar law applies to the Project, to the Qualified Entity for purposes of collecting retainage, or some combination thereof. Any Loan proceeds in excess of the amount subject to retainage controlled by the Qualified Entity will be immediately remitted to the person or entity to whom payment is due, no later than three (3) Business Days after receipt or the date such Loan proceeds are no longer subject to retainage.

Loan disbursements shall not be made more frequently than monthly and shall only be made following the submission of a Disbursement Request to the State. Disbursement Requests shall be approved by the Department and the Drinking Water SRF Program Representative prior to submission to the Trustee for a Loan disbursement. Disbursement Requests shall be numbered sequentially, beginning with the number 1.

Section 2.05. Effect of Disbursements. Loan disbursements made to or for the benefit of the Qualified Entity shall be deemed to be a purchase of the Bonds in such amounts and with such maturities as achieves as level a debt service as practicable, and with no maturity longer than the original maturity schedule; provided that any principal payments originally scheduled under Section 2.02 herein as being due prior to one year after Substantial Completion of Construction shall first be deemed to be a purchase of the Bonds in order of maturity. Interest on the Loan commences on the day that the State approves a Disbursement Request and forwards such Disbursement Request to the Trustee for payment. In the event any Loan disbursement is made in excess of Eligible Costs, such excess disbursements shall be immediately paid by the Qualified Entity to the Trustee and may, subject to the terms and conditions set forth in this Agreement, be borrowed by the Qualified Entity.

Section 2.06. Acknowledgment of Amount of Loan; Final Disbursement. Within 30 days after any request by the State from time to time, the Qualified Entity shall execute and deliver to the State an acknowledgment in the form prescribed by the State which acknowledges the outstanding principal of and interest on the Bonds. Unless the State consents in writing, no Loan disbursement shall be made more than one year after Substantial Completion of Construction. After Substantial Completion of Construction, upon the request of the State, the Qualified Entity shall replace, at its expense, the Bonds with substitutes issued pursuant to the Authorizing Instrument to evidence the outstanding principal under the Loan.

(End of Article II)

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE QUALIFIED ENTITY

Section 3.01. Planning, Design and Construction Covenants. The Qualified Entity hereby covenants and agrees with the State that the Qualified Entity will:

- (a) Provide information as requested by the State to determine the need for, or to complete any necessary, environmental review or analysis.
- (b) Comply with the procurement procedures and affirmative action requirements contained in 85 I.A.C. 2-10 and 327 I.A.C. 14-10 in the Planning, Design and Construction of the Project to the extent that such are to be paid from Loan proceeds.
- (c) With respect to prime and first tier contract awards, report minority and women business enterprise utilization in the Planning, Design and Construction of the Project, to the extent that such are to be paid from Loan proceeds, by executing and delivering Agency Form SF 5700-528-5-96 to the Department whenever any agreements or subagreements are awarded. (These reports must be submitted by the 15th day of each January, April, July and October after which such agreement or subagreement is awarded).
- (d) Comply with all applicable federal, State and local statutes, rules and regulations relating to the acquisition and construction of the Drinking Water System.
- (e) In the event Construction is to be paid from Loan proceeds, prior to an award of any contract for Construction of the Project, obtain a construction permit from the Department and receive the written approval of the Department of the Preliminary Engineering Report.
- (f) Obtain the property rights necessary to construct the Drinking Water System and, in procuring any such rights comply with federal and State law.
- (g) In the event Construction is to be paid from Loan proceeds, comply with the federal Davis-Bacon Act, codified at 40 U.S.C. 276a-276a-5.
- (h) In the event Construction is to be paid from Loan proceeds, execute and deliver to the Department Agency Form 4700-4 ("Pre-award Compliance Review Report for Wastewater Treatment Construction Grants") and Agency Form 5700-49 ("Certification Regarding the Debarment, Suspension, and Other Responsibility Matters").
- (i) In the event Construction is to be paid from Loan proceeds, follow guidance issued by the Department in procuring contracts for Construction, including (1) submission to the Department of Project change orders, (2) obtaining approval from the

Drinking Water SRF Program Director and the Drinking Water SRF Program Representative of any Project change order which significantly changes the scope or Design of the Project or, when taking into account other change orders and contracts, are reasonably expected to result in expenditures in an amount greater than the Loan, (3) receiving approval from the Drinking Water SRF Program Director prior to the award of any contract for Construction and (4) receiving authorization from the Drinking Water SRF Program Director prior to initiating procurement of Construction of the Project.

(j) In the event Construction is to be paid from Loan proceeds, before awarding Construction contracts, receive approval of the Drinking Water SRF Program Director for any interlocal agreement associated with the Project.

(k) In the event Construction is to be paid from Loan proceeds, cause the Project to be constructed in accordance with the Preliminary Engineering Report and the Plans and Specifications, using approved contract papers.

(l) Permit the State and its agents to inspect from time to time (1) the Project, (2) the Drinking Water System and (3) the books and other financial records of the Drinking Water System, including the inspections described in 85 I.A.C. 2-11-7, 85 I.A.C. 2-12-1, 327 I.A.C. 14-11-7 and 327 I.A.C. 14-12-1. Construction contracts shall provide that the State or its agents will have access to the Project and the work related thereto and that the Qualified Entity's contractor will provide proper facilities for such access and inspection. All files and records pertaining to the Project shall be retained by the Qualified Entity for at least six years after Substantial Completion of Construction.

(m) Upon Substantial Completion of Construction and when requested by the State, provide audited reports to the State to permit the State to determine that the Loan proceeds have been used in compliance with this Agreement.

(n) In the event Construction is to be paid from Loan proceeds, within one year of Substantial Completion of Construction, provide as-built plans for the Project to the Department.

Section 3.02. General Covenants. The Qualified Entity hereby covenants and agrees with the State that the Qualified Entity will:

(a) Comply with all applicable federal, State and local statutes, rules and regulations relating to Operation and Maintenance.

(b) (1) Own, operate and maintain the Project and the Drinking Water System for their useful life, or cause them to be operated and maintained for their useful life; (2) at all times maintain the Drinking Water System in good condition and operate it in an efficient manner and at a reasonable cost; and (3) not sell, transfer, lease or otherwise encumber the Drinking Water System or any portion thereof or any interest therein without the prior written consent of the State.

(c) Obtain and maintain the property rights necessary to operate and maintain the Drinking Water System, and in procuring any such rights, comply with federal and State law.

(d) Acquire and maintain insurance coverage acceptable to the State, including fidelity bonds, to protect the Drinking Water System and its operations. All insurance shall be placed with responsible insurance companies qualified to do business under State law. Insurance proceeds and condemnation awards shall be used to replace or repair the Drinking Water System unless the State consents to a different use of such proceeds or awards.

(e) Establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) and the Drinking Water System in accordance with (1) generally accepted governmental accounting principles, as promulgated by the Government Accounting Standards Board and (2) the rules, regulations and guidance of the State Board of Accounts.

(f) Provide to the State such periodic financial and environmental reports as it may request from time to time, including (1) annual operating and capital budgets and (2) such other information requested or required of the State or the Qualified Entity by the Agency.

(g) Provide notice to the Department under the circumstances contemplated, and undertake inspections as required, by 85 I.A.C. 2-11-7 and 327 I.A.C. 14-11-7.

(h) (1) Establish and maintain just and equitable rates and charges for the use of and the service rendered by the Drinking Water System, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the Drinking Water System, or that in any way uses or is served by the Drinking Water System, (2) establish, adjust and maintain rates and charges at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the Qualified Entity) to provide for the proper Operation and Maintenance of the Drinking Water System, to comply with and satisfy all covenants contained herein and to pay all obligations of the Drinking Water System and of the Qualified Entity with respect thereto, and (3) if and to the extent Bonds are payable from property taxes, levy each year a special ad valorem tax upon all property located in the boundaries of the Qualified Entity, to pay all obligations of the Qualified Entity with respect thereto.

(i) If the Bonds are payable from the revenues of the Drinking Water System, not borrow any money, enter into any contract or agreement or incur any other liabilities in connection with the Drinking Water System without the prior written consent of the State if such undertaking would involve, commit or use the revenues of the Drinking Water System; provided that the Qualified Entity may authorize and issue additional obligations, payable out of the revenues of its Drinking Water System, ranking on a parity with the Bonds for the purpose of financing the cost of future additions, extensions and

improvements to the Drinking Water System, or to refund obligations of the Drinking Water System, subject to the conditions, if any, in the Authorizing Instrument.

(j) Comply with the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000d et seq., the Age Discrimination Act, as amended, Public Law 94-135, Section 504 of the Rehabilitation Act of 1973, as amended (including Executive Orders 11914 and 11250), 29 U.S.C. Section 794, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92-500, Executive Order 11246 regarding equal employment opportunity, and Executive Orders 11625 and 12138.

(k) Undertake all actions necessary to investigate all potential, material claims which the Qualified Entity may have against other persons with respect to the Drinking Water System and the Project and take whatever action is necessary or appropriate to (1) recover on any actionable, material claims related to the Project or the Planning, Design or Construction thereof, (2) meet applicable Project performance standards and (3) otherwise operate the Drinking Water System in accordance with applicable federal, State and local law.

(l) Not modify, alter, amend, add to or rescind any provision of the Authorizing Instrument without the prior written consent of the State.

Section 3.03. Representations and Warranties of the Qualified Entity. After due investigation and inquiry, the Qualified Entity hereby represents and warrants to the State that:

(a) The Qualified Entity is duly organized and existing under state law, and constitutes a “political subdivision” within the meaning of I.C. 13-11-2-164. The Project and the Drinking Water System are subject to I.C. 8-1.5-2.

(b) The Qualified Entity and its Drinking Water System are not subject to the jurisdiction of the Commission under I.C. 8-1-2 or any other applicable law and the Project and the Bonds are not subject to the Commission’s review and approval requirements. If the Qualified Entity or its Drinking Water System is subject to the jurisdiction of the Commission under I.C. 8-1-2 or any other applicable law, the Commission has reviewed and approved the Project and the issuance of the Bonds and no additional approvals or consents are required to be obtained from the Commission related thereto.

(c) The Qualified Entity has full power and authority to adopt the Authorizing Instrument, enter into this Agreement and issue the Bonds and perform its obligations hereunder and thereunder.

(d) By all required action, the Qualified Entity has duly adopted the Authorizing Instrument and authorized the execution and delivery of this Agreement, the Bonds and all other papers delivered in connection herewith.

(e) Neither the execution of, nor the consummation of the transaction contemplated by, this Agreement nor the compliance with the terms and conditions of any other paper referred to herein, shall conflict with, result in a breach of or constitute a default under, any indenture, mortgage, lease, agreement or instrument to which the Qualified Entity is a party or by which the Qualified Entity or its property, including the Drinking Water System, is bound or any law, regulation, order, writ, injunction or decree of any court or governmental agency or instrumentality having jurisdiction.

(f) There is no litigation pending or, to the knowledge of the Qualified Entity, upon investigation, threatened that (1) challenges or questions the validity or binding effect of this Agreement, the Authorizing Instrument or the Bonds or the authority or ability of the Qualified Entity to execute and deliver this Agreement or the Bonds and perform its obligations hereunder or thereunder or (2) would, if adversely determined, have a significant adverse effect on the ability of the Qualified Entity to meet its obligations under this Agreement, the Authorizing Instrument or the Bonds.

(g) The Qualified Entity has not at any time failed to pay when due interest or principal on, and it is not now in default under, any warrant or other evidence of obligation or indebtedness of the Qualified Entity.

(h) All information furnished by the Qualified Entity to the State or any of the persons representing the State in connection with the Loan or the Project is accurate and complete in all material respects.

(i) The Qualified Entity has taken or will take all proceedings required by law to enable it to issue and sell the Bonds as contemplated by this Agreement.

Each of the foregoing representations and warranties will be deemed to have been made by the Qualified Entity as of the date of this Agreement and as of the date of any disbursement of Loan proceeds. Each of the foregoing representations and warranties shall survive the Loan disbursements regardless of any investigation or investigations the State may have undertaken.

Section 3.04. Covenants Regarding Assignment. The Qualified Entity acknowledges that the State may sell or assign the Bonds or cause the Bonds to be sold or assigned, and certain of its rights related thereto, as permitted pursuant to Section 5.02 herein. The Qualified Entity covenants and agrees to cooperate with and assist in, at its expense, any such assignment. Within 30 days following a request by the State, the Qualified Entity covenants and agrees with the State that the Qualified Entity will, at its expense, furnish any information, financial or otherwise, with respect to the Qualified Entity, this Agreement, the Authorizing Instrument and the Bonds and the Drinking Water System as the State reasonably requests in writing to facilitate the sale or assignment of the Bonds.

Section 3.05. Nature of Information. All information furnished by the Qualified Entity to the State or any person representing the State in connection with the Loan or the Project may be furnished to any other person the State, in its judgment, deems necessary or desirable in its operation and administration of the Drinking Water SRF Program.

Section 3.06. Tax Covenants. The Qualified Entity hereby covenants that it will not take, or cause or permit to be taken by it or by any party under its control, or fail to take or cause to permit to be taken by it or by any party under its control, any action that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code. The Qualified Entity further covenants that it will not do any act or thing that would cause the Bonds to be “private activity bonds” within the meaning of Section 141 of the Code or “arbitrage bonds” within the meaning of Section 148 of the Code. In furtherance and not in limitation of the foregoing, the Qualified Entity shall take all action necessary and appropriate to comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable to the Qualified Entity or the Bonds, including accounting for and making provision for the payment of any and all amounts that may be required to be paid to the United States of America from time to time pursuant to Section 148 of the Code.

Section 3.07. Non-Discrimination Covenant. Pursuant to and with the force and effect set forth in I.C. 22-9-1-10, the Qualified Entity hereby covenants that the Qualified Entity, and its contractor and subcontractor for the Project, shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to the hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, sex, disability, national origin or ancestry.

(End of Article III)

ARTICLE IV

DEFAULTS

Section 4.01. Remedies. The State's obligation to make a disbursement under the Loan to the Qualified Entity hereunder may be terminated at the option of the State, without giving any prior notice to the Qualified Entity, in the event: (a) the Qualified Entity fails to undertake or perform in a timely manner any of its agreements, covenants, terms or conditions set forth herein or in any paper entered into or delivered in connection herewith; or (b) any representation or warranty made by the Qualified Entity as set forth herein or in any paper entered into or delivered in connection herewith is materially false or misleading. Any such event shall constitute an event of default. If an event of default occurs, the State without giving any prior notice, may declare the entire outstanding principal amount of the Loan, together with accrued interest thereon, immediately due and payable.

Section 4.02. Effect of Default. Failure on the part of the State in any instance or under any circumstance to observe or perform fully any obligation assumed by or imposed upon the State by this Agreement or by law shall not make the State liable in damages to the Qualified Entity or relieve the Qualified Entity from paying any Bond or fully performing any other obligation required of it under this Agreement or the Authorizing Instrument; provided, however, that the Qualified Entity may have and pursue any and all other remedies provided by law for compelling performance by the State of such obligation assumed by or imposed upon the State. The obligations of the State hereunder do not create a debt or a liability of the State under the constitution of the State or a pledge of the faith or credit of the State and do not directly, indirectly or contingently, obligate the State to levy any form of taxation for the payment thereof or to make any appropriation for their payment. Neither the State nor any agent, attorney, member or employee of the State shall in any event be liable for damages, if any, for the nonperformance of any obligation or agreement of any kind whatsoever set forth in this Agreement.

(End of Article IV)

ARTICLE V

MISCELLANEOUS

Section 5.01. Citations. Any reference to a part, provision, section or other reference description of a federal or State statute, rule or regulation contained herein shall include any amendments, replacements or supplements to such statutes, rules or regulation as may be made effective from time to time.

Section 5.02. Assignment. Neither this Agreement, nor the Loan or the proceeds thereof may be assigned by the Qualified Entity without the prior written consent of the State and any attempt at such an assignment without such consent shall be void. The State may at its option sell or assign all or a portion of its rights and obligations under this Agreement, the Authorizing Instrument, and the Bonds to an agency of the State or to a separate body corporate and politic of the State or to a trustee under trust instrument to which the State or any assignee is a beneficiary or party. The State may at its option assign all or a portion of its rights under this Agreement to any person. The Qualified Entity hereby consents to any such assignment by the State. This Agreement shall be binding upon and inure to the benefit of any permitted successor and assign.

Section 5.03. No Waiver. Neither the failure of the State nor the delay of the State to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other further exercise of any other right, power or privilege.

Section 5.04. Modifications. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto.

Section 5.05. Entire Agreement. This Agreement contains the entire agreement between the parties hereto and there are no promises, agreements, conditions, undertakings, warranties and representations, either written or oral, expressed or implied between the parties hereto other than as herein set forth or as may be made in the Authorizing Instrument and the other papers delivered in connection herewith. In the event there is a conflict between the terms of this Agreement and the Authorizing Instrument, the terms of this Agreement shall control. It is expressly understood and agreed that except as otherwise provided herein this Agreement represents an integration of any and all prior and contemporaneous promises, agreements, conditions, undertakings, warranties and representations between the parties hereto.

Section 5.06. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be executed by the State and the Qualified Entity, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

Section 5.07. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Agreement on the part of the State or the Qualified Entity to be performed shall be deemed by a court of competent jurisdiction to be contrary to law or cause the Bonds to be invalid as determined by a court of competent jurisdiction, then such covenant or

covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and waived and shall in no way affect the validity of the other provisions of this Agreement.

Section 5.08. Notices. All notices hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered personally or sent or transmitted to the appropriate destination as set forth below in the manner provided for herein. Notice to the State shall be given by providing such notice to both the Budget Agency and the Department as follows:

State of Indiana
Department of Environmental Management
100 North Senate, 12th Floor
Post Office Box 6015
Indianapolis, Indiana 46206-6015
Attention: Drinking Water SRF Program Director

State of Indiana
State Budget Agency
212 State House
Indianapolis, Indiana 46204
Attention: Drinking Water SRF Program Representative

or at such other address(es) or number(s) and to the attention of such other person(s) as the State may designate by notice to the Qualified Entity. Notices to the Qualified entity shall be addressed to:

Town of Georgetown
P.O. Box 127
Town of Georgetown, Indiana 47122-0127
Attention: Clerk-Treasurer

or at such other address(es) or number(s) and to the attention of such other person(s) as the Qualified Entity may designate by notice to the State. Any notice hereunder shall be deemed to have been served or given as of (a) the date such notice is personally delivered, (b) three (3) Business Days after it is mailed U.S. mail, First Class postage prepaid, (c) one (1) Business Day after it is sent on such terms by Federal Express or similar next-day courier, or (d) the same day as it is sent by facsimile transmission with telephonic confirmation of receipt by the person to whom it is sent.

Section 5.09. Expenses. The Qualified Entity covenants and agrees to pay (a) the fees, costs and expenses in connection with making the Loan, including issuing the Bonds and providing the necessary certificates, documents and opinions required to be delivered therewith; (b) the fees, costs and expenses in connection with making and administering the Loan; (c) the costs and expenses of complying with its covenants made herein; and (d) any and all costs and expenses, including attorneys' fees, incurred by the State in connection with the enforcement of this Agreement, the Authorizing Instrument and the Bonds in the event of the breach by the

Qualified Entity of or a default under this Agreement, the Authorizing Instrument or the Bonds. Notwithstanding clause (b) above, the Qualified Entity shall not be obligated to pay any of the fees, costs and expenses in connection with administering the Loan except as follows: (1) the State may request and the Qualified Entity shall promptly pay, an annual administrative fee in connection with the Loan in an amount determined by the State, but not exceeding \$1,000; (2) for so long as the State or the Bond Bank is the registered owner of the Bonds, at the direction of the State, the interest rate on the Bonds may be adjusted to lower the interest rate on the Bonds, and the difference between the amount payable as the original rate on the Bonds and the lower rate shall be deemed an additional administrative fee in connection with the Drinking Water SRF Program; and (3) the Qualified Entity shall only be obligated to pay fees, costs and expenses of the State's counsel and financial advisers in connection with making the Loan up to \$5,000.

Section 5.10. Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Indiana.

Section 5.11. Term. This Agreement shall terminate at such time as the Qualified Entity has fully met and discharged all of its obligations hereunder, which term may extend beyond the final payment of the Bonds or provision for the payment of the Bonds pursuant to the Authorizing Instrument.

(End of Article V)

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers or officials, all as of the date first above written.

TOWN OF GEORGETOWN, INDIANA

"Qualified Entity"

By: Patti Denison

Printed: Patti Denison

Title: President

Attest: Linda K. Anderson

EXHIBIT A

STATE OF INDIANA
STATE REVOLVING LOAN (SRF) PROGRAM
100 NORTH SENATE AVENUE
P.O. BOX 6015
INDIANAPOLIS, IN 46206-6015
317-232-4396

REQUEST FOR DISBURSEMENT

The undersigned Authorized Representative of the Qualified Entity named in this Request, on behalf of such Qualified Entity, hereby (i) requests that the State make a Disbursement, or cause a Disbursement to be made, according to this Request and (ii) directs that the State mail, or cause to be mailed, the Disbursement to the Qualified Entity or the Contractor named in this Request.

INSTRUCTIONS

1. This request is applicable only to costs of the Qualified Entity's wastewater or drinking water project eligible for financing through the State Revolving Loan fund (SRF).
2. A new Disbursement Request Form should be used for each contractor.
3. Combine multiple bills from a single contractor on one request form.
4. Attach a copy of the claim (a bill, invoice or a statement) underlying this Request.
5. Complete the required information and please answer all questions.
6. Indicate on this Request if the Qualified Entity has paid all or part of the Contractor's claim and is seeking reimbursement. Attach evidence that such payment was made and the date on which it was made.
7. Inquiries related to the status of a Disbursement request must be directed to the Qualified Entity. The Entity can then contact this office for the information. Please contact your contractors about this policy.
8. Requested amounts must be rounded to the nearest whole dollar.
9. The Request must be typed.
10. Please sent all Disbursement Requests to the address listed above. Please send to the attention of Shelley Reynolds (317-232-4396).

STATE BUDGET AGENCY

By: _____
Betty Cockrum, State Budget Director
"Budget Agency"

Approved:

DEPARTMENT OF ADMINISTRATION

By: _____
Glenn Lawrence, Commissioner

Approved as to form and legality:

By: _____
ATTORNEY GENERAL OF THE
STATE OF INDIANA

DISBURSEMENT REQUEST INFORMATION

Community:

Project No.:

Mailing Address:

Request No.:

Contact Person: _____

Contact Phone No.: () _____

Community's Authorized Representative: _____

Authorized Representative's Phone No.: _____

Description of work for which claim is being made (services, fees, type of, etc.) _____

Contractor

Address

Amount Requested

\$ _____

Original Loan Amount..... \$ _____

Total Amount of Previous Disbursements..... \$ _____

Amount of this Request..... \$ _____

Balance Available after this Disbursement..... \$ _____

Is a portion of the claim underlining this Request subject
to retainage under IC 36-1-12-14 or a similar law?

YES _____ NO _____

If yes the retainage amount is \$ _____

(This amount will be mailed to the community for such retainage purposes and the
remainder sent directly to the contractor identified above.)

Has the Qualified Entity paid the request and
seeking reimbursement?

YES _____ NO _____

Is this the final payment to the contractor?

YES _____ NO _____

The undersigned hereby certifies that this request is true and correct, that the claim
underlying this Request is legally due (and is payable from the SRF) in accordance with the
Community's Financial Assistance Agreement with the State.

DATE: _____

AUTHORIZED REPRESENTATIVE SIGNATURE

STATE AUTHORIZATION

The Department of Environmental Management (DEM) finds \$_____ of the claim underlying this Request to be eligible SRF Project Costs to be disbursed as directed below.

The Program Representative hereby (i) authorizes the trustee to disburse the total amount stated in the preceding sentence and (ii) directs that such amount be mailed to:

\$_____ the Contractor at the address identified on page 1.

\$_____ the Qualified Entity for escrow retainage at the address identified on page 1.

\$_____ the Qualified Entity for reimbursement at the address identified on page 1.

\$_____ the 2nd party for escrow retainage at the address identified on page 1.

DEPARTMENT OF ENVIRONMENTAL
MANAGEMENT

PROGRAM REPRESENTATIVE

By: _____

By: _____

Date: _____

Date: _____

Trustee Certification

The undersigned, on behalf of the trustee, hereby certified that a Disbursement in the amount authorized by the State, together with a completed copy of this Request, was mailed on _____, 200_ to the party stated under "State Authorization" above. Further, a copy of this completed Request has been mailed to the Qualified Entity and the Department of Environmental Management.

Trustee Authorized Officer

Date: _____

By: _____

Authorized Officer

EXHIBIT B

PROJECT DESCRIPTION

The Project will include the following:

- A transmission main;
- Pumping facilities;
- 300,000-gallon elevated steel water storage tank;
- Pressure reducing stations;
- Distribution system additions; and
- Telemetry and control system.

The Project is more fully described in, and shall be in accordance with, the Preliminary Engineering Report and the Plans and Specifications approved by the Department.

EXHIBIT C
Principal Payment Schedule

<u>Date</u>	<u>Principal Amount</u>
1/1/2003	\$54,000
1/1/2004	56,000
1/1/2005	59,000
1/1/2006	61,000
1/1/2007	63,000
1/1/2008	66,000
1/1/2009	68,000
1/1/2010	71,000
1/1/2011	74,000
1/1/2012	77,000
1/1/2013	80,000
1/1/2014	83,000
1/1/2015	86,000
1/1/2016	89,000
1/1/2017	93,000
1/1/2018	96,000
1/1/2019	100,000
1/1/2020	104,000
1/1/2021	108,000
1/1/2022	112,000
Total	\$1,600,000